

GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA  
UNSTARRED QUESTION NO.179  
TO BE ANSWERED ON 2<sup>ND</sup> FEBRUARY, 2022

PRODUCTION OF ETHANOL

†179. SHRI DILIP SAIKIA:  
SHRI RAMESH CHANDER KAUSHIK

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the production of ethanol directly from sugarcane and maize is permitted in the country especially in the North Eastern States including Assam;
- (b) if so, the details thereof;
- (c) the names of major mills producing ethanol directly from sugarcane and maize;
- (d) the State-wise details of the total quantity of ethanol produced in the country during the last three years; and
- (e) the measures being taken by the Government to increase the production of ethanol and promote its use in the country?

A N S W E R

MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND  
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(SADHVI NIRANJAN JYOTI)

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(a) to (b): The Government has notified the National Bio-fuel Policy, 2018 which inter-alia allows the production of ethanol from sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing material like corn, cassava, damaged food grains like broken rice etc. Besides, the policy also allows use of surplus foodgrains for production of ethanol under Ethanol Blended with Petrol (EBP) Programme with the approval of National Bio-fuel Coordination Committee (NBCC) comprising of representatives from Ministry of Petroleum & Natural Gas, Department of Agriculture & Farmers' Welfare, Department of Food & Public Distribution, NITI Aayog etc.

The NBCC in year 2020, after holding discussions with various stake holders and after taking into consideration the sufficient availability of rice and maize in the country, has recommended the production of ethanol from surplus rice available with FCI and from maize for blending with petrol under EBP programme, across the country including North Eastern States, which was accepted by the Government.

(c): A list showing names of sugar mills/distilleries producing ethanol directly from sugarcane juice as obtained from State Governments & Industry Associations is given at Annexure-I.

At present, grain based distilleries are producing ethanol mainly from damaged food grains viz. broken rice and surplus rice available with FCI. However, with the increase in the number & capacity of grain based distilleries, production of ethanol from maize is likely to pick up.

(d): The State-wise list of supplied quantities of ethanol which were produced by distilleries in the country and supplied to Oil Marketing Companies (OMCs) for blending with petrol under Ethanol Blended with Petrol (EBP) Programme during last three Ethanol Supply Years (ESY) (Dec-Nov) 2018-19, 2019-20 and 2020-21 is at Annexure-II.

(e): The Central Government has taken various measures in past 3 years to increase production and utilization of ethanol which are enumerated as under:

- i) The Government has fixed 10% blending target for Ethanol Supply Year 2021-22 & 20% blending by 2025;
- ii) Extending financial assistance in the form of interest subvention @ 6% per annum or 50% of rate of interest charged by banks/financial institutions whichever is lower for five years including one year moratorium;
- iii) The Government has been fixing remunerative prices of ethanol produced from different feed-stocks for supply of ethanol to OMCs for every Ethanol Supply Year;
- iv) Amended the Industries (Development & Regulation) Act, 1951 to ensure free movement of ethanol in the country;

- v) **Reduced Goods & Service Tax (GST) on ethanol meant for Ethanol Blended with Petrol (EBP) Programme from 18% to 5%;**
- vi) **FCI Rice & maize also allowed as feedstock;**
- vii) **Interest subvention scheme extended to grain based distilleries;**
- viii) **Standard Operating Procedures (SOPs) issued by banks for faster loans sanctioning;**
- ix) **Environmental Clearance procedures simplified by Ministry of Environment, Forest & Climate Change;**
- x) **Enhancement of storage capacities to store ethanol started by Oil Marketing Companies;**
- xi) **Notification for 20% blending from April, 2023 issued;**
- xii) **Use of automotive fuel E12 (12% ethanol with 88% petrol) & E15 notified;**
- xiii) **Notification for direct sale of E100 by OMCs issued;**
- xiv) **E20 material compatible vehicles being launched from April, 2023 and E20 engine compatible vehicles being launched from April, 2025;**
- xv) **Flexi-fuel engine & components (capable of running up to E85 fuel) included under Production Linked Incentive (PLI) scheme.**

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